

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: **W. R. Grace & Co., et al**  
Debtor

**Case No. 01-01139** Jointly Administered  
**Reporting Period: August 2003**

**MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (con't)	X	
Copies of bank statements		X	
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	


I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature of Authorized Individual\*

26 AUGUST 2003  
\_\_\_\_\_  
Date

Robert M. Tarola  
\_\_\_\_\_  
Printed Name of Authorized Individual

Senior Vice President and  
Chief Financial Officer  
\_\_\_\_\_  
Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**W. R. Grace & Co.**  
**Monthly Financial Report**  
**August 31, 2003**

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**Form MOR**

**Monthly Operating Report**

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**Bank Statements**

**Federal Income Tax Returns**

None

**Forward-Looking Information**

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

**Statement of Confidentiality**

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

## **Monthly Operating Report**

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

August 2003

	JP Morgan Chase Disbursement 9101013572	Wachovia Lockbox 8619039102	First Union Deposit Acct 2199500021812	First Union Payroll 2079900003815	Merrill Lynch Investment 3323735	Merrill Lynch Investment 3343175	JP Morgan Chase Holding 323223141
CASH BEGINNING OF MONTH	\$ 114,347	\$ -	\$ (0)	\$ 0	\$ 77,104,831	\$ 0	\$ 733,326
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES							
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES			945,259		38,560		
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	217,000			1,952,164	67,200,000		
MISCELLANEOUS				3,922			
TOTAL RECEIPTS	217,000	-	945,259	1,956,086	67,238,560	-	-
DISBURSEMENTS							
PAYROLL				1,318,097			
PAYROLL TAXES				637,989			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION							
PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	219,731						
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			942,755		67,400,000		
MISCELLANEOUS	6,060		2,505				
TOTAL DISBURSEMENTS	225,791	-	945,259	1,956,086	67,400,000	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(8,791)	-	-	-	(161,440)	-	-
CASH - END OF MONTH	105,556	-	(0)	0	76,943,391	0	733,326

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

## MOR-1

August 2003

	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8188203114	First Union Concentration 2000000282172	First Union Payroll 2079900018741	First Union Petty Cash 2079900005600	Civic Bank Payroll 15502015736	First Union Libby Medical 2079900065006
CASH BEGINNING OF MONTH	\$ 462,185	\$ 1,177,302	\$ 0	\$ -	\$ -	\$ 0	\$ -
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES		41,318,604					
ACCOUNTS RECEIVABLE - INTERCOMPANY		28,774					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES	1,047,866						
TRANSFERS IN - NONFILING ENTITIES	49,396,002						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	147,333,779		71,200,000	5,511,479	4,740		132,577
MISCELLANEOUS			5,482,042	36,187	1,062		
TOTAL RECEIPTS	197,777,647	41,347,378	76,682,042	5,547,666	5,802	-	132,577
DISBURSEMENTS							
PAYROLL				3,747,787			
PAYROLL TAXES				1,799,879			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS	40,000,000						
DIP INTEREST AND USAGE FEES	195,124						
TRANSFERS OUT - THIRD PARTIES	5,517,891	1,641,235			5,802		
TRANSFERS OUT - NONFILING ENTITIES	4,536,232						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	147,736,201	39,927,806	76,682,042				
MISCELLANEOUS							132,577
TOTAL DISBURSEMENTS	197,985,447	41,569,042	76,682,042	5,547,666	5,802	-	132,577
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(207,800)	(221,663)	-	-	-	-	-
CASH - END OF MONTH	254,385	955,639	0	-	-	0	-

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## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

August 2003

	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	Allfirst Payroll 16298631	SunTrust Payroll 00000141309
CASH BEGINNING OF MONTH	\$ (0)	\$ -	\$ 0	\$ 0	\$ 0	\$ 130,221	\$ 45,273
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES			30,457,709				
ACCOUNTS RECEIVABLE - INTERCOMPANY			9,154,448				
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES							
TRANSFERS IN - NONFILING ENTITIES			229,000				
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	35,592,503	1,336,017		3,467,313	28,685,250	3,302,257	
MISCELLANEOUS				19,932			
TOTAL RECEIPTS	35,592,503	1,336,017	39,841,158	3,487,246	28,685,250	3,302,257	-
DISBURSEMENTS							
PAYROLL		910,836				2,090,857	
PAYROLL TAXES		416,839				1,211,400	
TRADE PAYABLES - THIRD PARTIES	34,092,066			3,487,246	24,897,146		
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES							
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			39,063,218				
MISCELLANEOUS	1,500,437	8,342	777,940		3,788,104		
TOTAL DISBURSEMENTS	35,592,503	1,336,017	39,841,158	3,487,246	28,685,250	3,302,257	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-	0	-	-	-
CASH - END OF MONTH	(0)	-	0	0	0	130,221	45,273

## Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

August 2003

	PNC 4002641360	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16296657	First Union Petty Cash 2040000016900	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172
CASH BEGINNING OF MONTH	\$ 24,671	\$ 10,000	\$ -	\$ 212,908	\$ 56,332	\$ 3,746	\$ 475,021
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES						13,520	98,178
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES						127,667	
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				5,027,474			
MISCELLANEOUS							
TOTAL RECEIPTS	-	-	-	5,027,474	-	141,188	98,178
DISBURSEMENTS							
PAYROLL				3,341,685		287	
PAYROLL TAXES				1,685,790		62,050	
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES						75,848	128,000
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS							350,000
MISCELLANEOUS						6,109	6,674
TOTAL DISBURSEMENTS	-	-	-	5,027,474	-	144,294	484,674
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-	-	-	(3,106)	(386,496)
CASH - END OF MONTH	24,671	10,000	-	212,908	56,332	640	88,525

## Note #1

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W. R. Grace & Co. - Conn				
Schedule of Cash Receipts and Disbursements				
MOR-1				
August 2003				
	Banco de Credito Time Deposit 0015820	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424	Cash in Transit
CASH BEGINNING OF MONTH	\$ -	\$ 2,840	\$ 942,744	\$ 0
RECEIPTS				
ACCOUNTS RECEIVABLE - THIRD PARTIES			241,670	1,810,962
ACCOUNTS RECEIVABLE - INTERCOMPANY				
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				
DIP BORROWINGS				
TRANSFERS IN - THIRD PARTIES		15,268		
TRANSFERS IN - NONFILING ENTITIES				
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			350,000	
MISCELLANEOUS				
TOTAL RECEIPTS	-	15,268	591,670	1,810,962
DISBURSEMENTS				
PAYROLL		7,862		
PAYROLL TAXES		2,208		
TRADE PAYABLES - THIRD PARTIES				
TRADE PAYABLES - INTERCOMPANY			172,599	
ACCOUNT SECURITIZATION				
PAYMENTS AS SERVICER FOR GRPI				
DIP PRINCIPAL REPAYMENTS				
DIP INTEREST AND USAGE FEES				
TRANSFERS OUT - THIRD PARTIES		6,122	15,000	
TRANSFERS OUT - NONFILING ENTITIES				
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				
MISCELLANEOUS		720	20,337	
TOTAL DISBURSEMENTS	-	16,912	207,936	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(1,644)	383,734	1,810,962
CASH - END OF MONTH	-	1,196	1,326,478	1,810,962

**Note #1**

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



W. R. Grace &amp; Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 2003

	Cash on Hand	Other	CURRENT MONTH	
			ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 49,425	\$ 376,835	\$ 81,922,009	
RECEIPTS				
ACCOUNTS RECEIVABLE - THIRD PARTIES			73,940,644	
ACCOUNTS RECEIVABLE - INTERCOMPANY			9,183,222	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-	
DIP BORROWINGS			-	
TRANSFERS IN - THIRD PARTIES			2,174,620	
TRANSFERS IN - NONFILING ENTITIES			49,625,002	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			371,312,553	
MISCELLANEOUS			5,543,146	
TOTAL RECEIPTS	-	-	511,779,189	-
DISBURSEMENTS				
PAYROLL			11,417,412	
PAYROLL TAXES			5,816,154	
TRADE PAYABLES - THIRD PARTIES			62,476,457	
TRADE PAYABLES - INTERCOMPANY			172,599	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI			-	
DIP PRINCIPAL REPAYMENTS			40,000,000	
DIP INTEREST AND USAGE FEES			195,124	
TRANSFERS OUT - THIRD PARTIES			7,609,629	
TRANSFERS OUT - NONFILING ENTITIES			4,536,232	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			372,102,022	
MISCELLANEOUS		87,547	6,337,351	
TOTAL DISBURSEMENTS	-	87,547	510,662,980	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(87,547)	1,116,209	-
CASH - END OF MONTH	49,425	289,288	83,038,217	\$ -

**Note #1**

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W.R. Grace & Co.			
Schedule of Cash Receipts and Disbursements			
MOR-1			
August 2003			
	JP Morgan Chase Pass Through 323881963	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (0)	\$ (0)	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	789,469	789,469	
TOTAL RECEIPTS	789,469	789,469	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	789,469	789,469	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	789,469	789,469	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ (0)	\$ (0)	\$ -

Remedium Group, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

August 2003

	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 601831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ (13,560)	\$ -	\$ (13,560)	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		789,469		789,469	
TOTAL RECEIPTS	-	789,469	-	789,469	
DISBURSEMENTS					
PAYROLL				-	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES		814,788		814,788	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				-	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	-	814,788	-	814,788	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(25,319)	-	(25,319)	
CASH - END OF MONTH	-	(38,879)	-	(38,879)	

Darex Puerto Rico, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

August 2003

	Citibank Operating Acct 300153011	Petty Cash	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 4,403,825	\$ 1,500	\$ (51,673)	\$ 4,353,652	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES	760,495			760,495	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	627,873			627,873	
TOTAL RECEIPTS	1,388,367	-	-	1,388,367	-
DISBURSEMENTS					
PAYROLL	9,108			9,108	
PAYROLL TAXES	3,715			3,715	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES	239,856			239,856	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	627,873			627,873	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	880,553	-	-	880,553	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	507,815	-	-	507,815	-
CASH - END OF MONTH	4,911,640	1,500	(51,673)	4,861,467	-

CC Partners			
Schedule of Cash Receipts and Disbursements			
MOR-1			
August 2003			
	First Union Deposit Acct 2199500031802	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Kootenai Development Company  
Schedule of Cash Receipts and Disbursements  
MOR-1  
August 2003

	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 29,162	\$ 29,162	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 29,162	\$ 29,162	\$ -

Grace Europe, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

August 2003

	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Dewey &amp; Almy, LLC

## Schedule of Cash Receipts and Disbursements

MOR-1

August 2003

	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 1,000	\$ 1,000	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION			
PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 1,000	\$ 1,000	-



Gloucester New Communities Company, Inc.  
Schedule of Cash Receipts and Disbursements  
MOR-1  
August 2003

	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 500	\$ 500	-

W. R. Grace & Co. - Conn  
Bank Reconciliations  
July 2003  
MOR-1

	JP Morgan Chase Disbursement 9101013572		Wachovia Lockbox 8619039102		First Union Deposit Acct 2199500021812		Merrill Lynch Investment 3323735		Merrill Lynch Investment 31833431756	
Balance per books	\$	114,347	\$	-	\$	-	\$	77,104,831	\$	-
Bank Balance	\$	108,286	\$	-	\$	10,194	\$	77,104,831	\$	-
(+) Deposits in transit		-		-		-		-		-
(-) Outstanding checks		-		-		-		-		-
Other		6,061		-		(10,194)		-		-
Adjusted bank balance	\$	114,347	\$	-	\$	-	\$	77,104,831	\$	-
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity		6,061								
Unreconciled ledger activity										
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass										
Unrecorded deposit						(10,194)				

W. R. Grace & Co. - Conn  
Bank Reconciliations  
July 2003  
MOR-1

	JP Morgan Chase Holding 323223141		JP Morgan Chase Concentration 16001257		Bank of America Lockbox 8188203114		First Union Concentration 2000000282172		First Union Payroll 2079900016741	
Balance per books	\$ 733,326		\$ 462,185		\$ 1,177,302		\$ -		\$ -	
Bank Balance	\$ 733,326		\$ 468,246		\$ 1,177,302		\$ 7,585,303		\$ -	
(+) Deposits in transit	-		-		-		-		-	
(-) Outstanding checks	-		-		-		-		(194,637)	
Other	-		(6,061)		-		(7,585,303)		194,637	
Adjusted bank balance	\$ 733,326		\$ 462,185		\$ 1,177,302		\$ -		\$ 0	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
									Detail available	
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										9,525
Unreconciled bank activity										
Unreconciled ledger activity				(6,061)						9,870
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass								(7,585,303)		175,242
Unrecorded deposit										

W. R. Grace & Co. - Conn  
Bank Reconciliations  
July 2003  
MOR-1

	First Union Petty Cash 2079900005600		Civic Bank Payroll 15502015736		First Union Libby Medical 2079900065006		First Union Accts Payable 2079920005761		First Union Payroll 2079900067554	
Balance per books	\$ -		\$ -		\$ -		\$ -		\$ -	
Bank Balance	\$ -		\$ -		\$ -		\$ -		\$ -	
(+) Deposits in transit	-		-		-		-		-	
(-) Outstanding checks	(356)		-		-		(4,609,861)		(114,145)	
Other	356		-		-		4,609,861		114,145	
Adjusted bank balance	\$ -		\$ -		\$ -		\$ -		\$ -	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
	7456	(63)					Detail Available		Detail Available	
	18489	(60)								
	23329	(78)								
	33408	(24)								
	33446	(50)								
	33462	(81)								
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books		65								
Payroll tax payments not recorded										
Unreconciled bank activity		(371)						27,192		6,615
Unreconciled ledger activity		5,131						(1,635,542)		(917)
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass		(4,469)						6,218,211		108,447
Unrecorded deposit										

	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	Allfirst Payroll 16298631				
Balance per books	\$ -	\$ -	\$ -	\$ 130,221				
Bank Balance	\$ 360,131	\$ -	\$ -	\$ 321,757				
(+) Deposits in transit	-	-	-	-				
(-) Outstanding checks	-	(1,306,497)	-	(240,251)				
Other	(360,131)	1,306,497	-	48,715				
Adjusted bank balance	\$ -	\$ -	\$ -	\$ 130,221				
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
			Detail Available				Detail Available	
Other								
Transfers between bank accounts								5,277
Accounting error								
Interest not recorded on books								
Bank fees not recorded on books								
Payroll tax payments not recorded								12,784
Unreconciled bank activity								30,654
Unreconciled ledger activity								
Returned item adjustment								
Payroll/other activity in transit								
Petty cash funds								
Reporting reclass								
Unrecorded deposit		(360,131)		1,306,497				

W. R. Grace & Co. - Conn  
Bank Reconciliations  
July 2003  
MOR-1

	SunTrust Payroll 00000141309	PNC 4002641360	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16298657
Balance per books	\$ 45,273	\$ 24,671	\$ 10,000	\$ -	\$ 212,908
Bank Balance	\$ 45,273	\$ 24,626	\$ 10,000	\$ -	\$ 269,168
(+) Deposits in transit	-	-	-	-	-
(-) Outstanding checks	-	-	-	-	(63,526)
Other	-	45	-	-	7,268
Adjusted bank balance	\$ 45,273	\$ 24,671	\$ 10,000	\$ -	\$ 212,908
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
					Detail Available
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books					
Bank fees not recorded on books					
Payroll tax payments not recorded					
Unreconciled bank activity					
Unreconciled ledger activity					(32)
Returned item adjustment					
Payroll/other activity in transit					7,298
Petty cash funds					
Reporting reclass					
Unrecorded deposit					

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W. R. Grace & Co. - Conn  
Bank Reconciliations  
July 2003  
MOR-1

	Banco de Credito Operating Acct 1931115122058		Banco de Credito Operating Acct 1931125963172		Banco de Credito Time Deposit		Bank of Boston Operating Acct 0154519		Bank of Boston Operating Acct 0154424	
Balance per books	(Soles)	13,014	(US\$)	\$ 475,021	(US\$)	\$ -	(Soles)	9,865	(US\$)	\$ 942,744
Bank Balance	\$	13,014	\$	474,773	\$	-	\$	9,865	\$	918,917
(+) Deposits in transit	-	-	-	248	-	-	-	-	-	35,476
(-) Outstanding checks	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	(11,649)
Adjusted bank balance	\$	13,014	\$	475,021	\$	-	\$	9,865	\$	942,744
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
			31-Jul-03	248					31-Jul-03	35,476
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										(11,649)
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass										
Unrecorded deposit										



8 of 13

Remedium Group, Inc. Bank Reconciliations July 2003 MOR-1				
	JP Morgan Chase Pass Through 323883842		JP Morgan Chase Disbursement 601831985	
Balance per books	\$ -		\$ (13,560)	
Bank Balance	\$ -		\$ (2)	
(+) Deposits in transit	-		-	
(-) Outstanding checks	-		(13,560)	
Other	-		2	
Adjusted bank balance	\$ -		\$ (13,560)	
Deposits in Transit	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount
			4855	(1,786)
			4862	(295)
			4870	(407)
			4872	(739)
			4880	(170)
			4883	(535)
			4892	(60)
			4895	(600)
			4897	(1,237)
			4898	(99)
			4899	(20)
			4901	(228)
			4902	(90)
			4903	(1,126)
			4904	(57)
			4905	(530)
			4907	(21)
			4908	(1,727)
			4909	(3,833)
Other				
Transfers between bank accounts				
Accounting error				
Interest not recorded on books				
Bank fees not recorded on books				
Payroll tax payments not recorded				
Unreconciled bank activity				2
Unreconciled ledger activity				
Returned item adjustment				
Payroll activity in transit				
Petty cash funds				

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Darex Puerto Rico, Inc. Bank Reconciliations July 2003 MOR-1		
	Citibank Operating Acct 300153011	
Balance per books	\$ 4,403,825	
Bank Balance	\$ 4,382,709	
(+) Deposits in transit	59,149	
(-) Outstanding checks	(40,158)	
Other	2,125	
Adjusted bank balance	\$ 4,403,825	
Deposits in Transit	Date	Amt
	28-Jul-03	59,149
Outstanding Checks	Ck. #	Amt
	15461	(27)
	15904	(728)
	16427	(4,654)
	16433	(50)
	16439	(7,224)
	16449	(2,930)
	16461	(60)
	16466	(770)
	16467	(100)
	16474	(3,000)
	16475	(263)
	16476	(189)
	16480	(7,401)
	16481	(10,680)
	16482	(125)
	16483	(1,923)
	16484	(100)
	16485	(248)
	16486	(1,048)
	16487	(65)
	16325	8,452
	various	(5,025)
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		165
Payroll tax payments not recorded		102
Unreconciled bank activity		
Unreconciled ledger activity		1,858
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

12 of 13

Grace Europe, Inc. Bank Reconciliations July 2003 MOR-1		
	Barclays Bank PLC	
Balance per books	\$ -	
Bank Balance	\$ -	
(+) Deposits in transit	-	
(-) Outstanding checks	-	
Other	-	
Adjusted bank balance	\$ -	
Deposits in Transit	Date	Amt
Outstanding Checks	Ck. #	Amt
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		
Payroll tax payments not recorded		
Unreconciled bank activity		
Unreconciled ledger activity		
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended August 31, 2003**

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.
Net sales to third parties	\$ 75,913,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	21,001,065	-	-	-	-	-	-	-	-
Net sales to filing entities	144,845	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,380,114	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(5,290,504)	4,130,151	714,108	19,173	845,233	-	2,602,915	-	-
Other income	(1,735,005)	-	-	-	-	-	-	-	-
	91,414,213	4,130,151	714,108	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	49,051,297	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	17,218,179	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	132,336	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	71,818,945	-	6,015	-	-	44,336	-	-	-
Research and development expenses	2,615,044	-	-	-	-	-	-	-	-
Depreciation and amortization	4,836,525	-	2,318	-	-	-	-	-	-
Interest expense	1,288,071	-	-	-	-	-	-	-	-
	146,960,399	-	8,333	-	-	44,336	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(55,546,186)	4,130,151	705,774	19,173	845,233	(44,336)	2,602,915	-	-
Chapter 11 reorganization expenses, net	(863,469)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	16,227,603	(1,445,552)	(247,129)	(6,710)	(295,831)	15,518	(911,020)	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ (40,182,051)</b>	<b>\$ 2,684,599</b>	<b>\$ 458,645</b>	<b>\$ 12,463</b>	<b>\$ 549,402</b>	<b>\$ (28,818)</b>	<b>\$ 1,691,895</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Statement of Operations

MOR - 2

Month Ended August 31, 2003

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alawife Land Corporation	Alawife Boston, Ltd.	Five Alawife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
Net sales to third parties	\$ -	\$ 590,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	2,154,639	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(3,021,074)	-	-	-	-	-	-	-	-
Other income	(781,206)	-	-	-	-	-	-	-	-
	(1,647,641)	590,028	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	279,887	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	23,331	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	18,805	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	7,879	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-
	-	329,902	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(1,647,641)	260,126	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	539,115	(91,044)	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ (1,108,526)</b>	<b>\$ 169,082</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended August 31, 2003**

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern oil, Resin & Fiberglass, Inc.	Guanica- Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities  
Combining Statement of Operations  
MOR - 2  
Month Ended August 31, 2003

	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.	W.R. Grace Land Corporation	G C Management, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended August 31, 2003**

	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Statement of Operations

MOR - 2

Month Ended August 31, 2003

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracecoal II, Inc.	Gracoal, Inc.	Grace Drilling Company
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended August 31, 2003**

	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,503,727
Net sales to non-filing entities	-	-	-	-	-	-	21,001,066
Net sales to filing entities	-	-	-	-	(144,845)	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	3,534,754
Interest and royalties from filing entities, net	-	-	-	-	(0)	-	-
Other income	-	-	-	-	-	-	(2,516,211)
	-	-	-	-	(144,845)	-	98,523,334
Cost of goods sold to third parties	-	-	-	-	-	-	49,331,184
Cost of goods sold to non-filing entities	-	-	-	-	-	-	17,218,179
Cost of goods sold to filing entities	-	-	-	-	(155,667)	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	71,888,101
Research and development expenses	-	-	-	-	-	-	2,615,044
Depreciation and amortization	-	-	-	-	-	-	4,846,722
Interest expense	-	-	-	-	-	-	1,288,071
	-	-	-	-	(155,667)	-	147,187,302
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	10,823	-	(48,663,968)
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	(863,469)
(Provision for) benefit from income taxes	-	-	-	-	-	-	13,784,950
Minority interest in income of subsidiary	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	9,883,422	9,883,422
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,823</b>	<b>\$ 9,883,422</b>	<b>\$ (25,859,065)</b>

**Note #2**

*Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.*

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

August 31, 2003

	W.R. Grace & Co. - Conn	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 83,038,217	\$ -	\$ (38,879)	\$ -	\$ -	\$ -
Accounts and other receivables, net	116,986,563	-	23,965	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	343,661,044	(419,332,541)	(5,359,333)	12,894,112	(37,725,242)	(9,548,218)
Inventories	76,565,378	-	-	-	-	-
Deferred income taxes	42,441,911	-	898,731	-	-	-
Other current assets	6,911,688	-	-	-	-	-
<b>Total Current Assets</b>	<b>669,604,801</b>	<b>(419,332,541)</b>	<b>(4,475,516)</b>	<b>12,894,112</b>	<b>(37,725,242)</b>	<b>(9,548,218)</b>
Properties and equipment, net	384,884,483	-	466,927	-	-	-
Goodwill	14,499,090	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	90,907,879	-	-	-	-	-
Deferred income taxes	731,157,458	-	44,101,884	-	-	-
Asbestos-related insurance receivable	272,389,808	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,216,320,935)	833,532,869	128,848,505	4,744,833	204,982,420	-
Investment in filing and non-filing entities	835,308,276	241,512,111	-	-	-	-
Other assets	85,897,125	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,868,327,985</b>	<b>\$ 655,712,438</b>	<b>\$ 168,941,799</b>	<b>\$ 17,638,945</b>	<b>\$ 167,257,179</b>	<b>\$ (9,548,218)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	44,314,775	-	18,284	-	-	-
Income taxes payable	0	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	60,696,164	-	38,313	-	-	716
<b>Total Current Liabilities</b>	<b>105,010,939</b>	<b>-</b>	<b>56,597</b>	<b>-</b>	<b>-</b>	<b>716</b>
Debt payable after one year	(438,134)	-	-	-	-	-
Deferred income taxes	146,832,460	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	239,098,311	0	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	<b>490,503,576</b>	<b>0</b>	<b>56,597</b>	<b>-</b>	<b>-</b>	<b>716</b>
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	546,372,849	-	-	-	-	-
Accounts payable	31,380,728	-	665,607	-	-	-
Income taxes payable	206,833,323	11,450,563	467,671	48,563	2,366,652	(35,868)
Asbestos-related liability	965,967,019	-	-	-	-	-
Other liabilities	440,096,263	188,091	128,573,185	-	32,099,316	-
<b>Total Liabilities Subject to Compromise</b>	<b>2,190,650,181</b>	<b>11,638,654</b>	<b>129,706,463</b>	<b>48,563</b>	<b>34,465,968</b>	<b>(35,868)</b>
<b>Total Liabilities</b>	<b>2,681,153,758</b>	<b>11,638,654</b>	<b>129,763,060</b>	<b>48,563</b>	<b>34,465,968</b>	<b>(35,152)</b>
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	83,968,960	769,956	12,223	1,000	-	1,000
Paid in capital	142,809,878	428,448,120	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(697,285,976)	350,758,327	29,442,068	(16,463,084)	76,779,634	(9,514,066)
Treasury stock, at cost	-	(135,902,719)	-	-	-	-
Accumulated other comprehensive loss	(342,318,634)	100	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	<b>(812,825,772)</b>	<b>644,073,784</b>	<b>39,178,739</b>	<b>17,590,382</b>	<b>132,791,211</b>	<b>(9,513,066)</b>
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,868,327,985</b>	<b>\$ 655,712,438</b>	<b>\$ 168,941,799</b>	<b>\$ 17,638,945</b>	<b>\$ 167,257,179</b>	<b>\$ (9,548,218)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

August 31, 2003

	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ (1)	\$ 4,861,467	\$ -
Accounts and other receivables, net	-	79,538	-	-	2,838,815	-
Receivables from/(payables to) filing and non-filing entities, net	(386,938,310)	5,513,817	140,524,854	(84,749,767)	(1,570,481)	(5,422,829)
Inventories	-	(0)	-	-	195,893	-
Deferred income taxes	-	75,490	-	-	13,498	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(386,938,310)	5,668,845	140,524,854	(84,749,768)	6,339,192	(5,422,829)
Properties and equipment, net	-	-	-	-	765,368	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	38,161	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	455,926,841	(3,269,284)	-	42,522,185	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Other assets	-	54,000	-	-	226,775	1,403,840
<b>Total Assets</b>	<b>\$ 68,988,532</b>	<b>\$ 2,491,723</b>	<b>\$ 140,524,854</b>	<b>\$ 16,441,882</b>	<b>\$ 7,331,334</b>	<b>\$ (4,018,988)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	21,382	-	23,688	352,470	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	349,842	-	-	132,664	-
<b>Total Current Liabilities</b>	-	371,224	-	23,688	485,133	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	-	146,497	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	371,224	-	23,688	631,630	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	133,907	-
Income taxes payable	7,287,951	(833,346)	(150)	(1,552,791)	1,362,770	(175)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	215,684	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	7,287,951	(617,662)	(150)	(1,552,791)	1,496,677	(175)
<b>Total Liabilities</b>	7,287,951	(246,438)	(150)	(1,529,103)	2,128,308	(175)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	112	-	-	-	-	-
Common Stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	50,937,489	-	274,606
(Accumulated deficit)/Retained earnings	90,966,878	(434,363)	115,166,011	(38,628,280)	5,202,026	(4,293,619)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	3,171,524	-	5,660,776	-	-
<b>Total Shareholders' Equity (Deficit)</b>	61,700,581	2,738,160	140,525,004	17,970,985	5,203,026	(4,018,813)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 68,988,532</b>	<b>\$ 2,491,723</b>	<b>\$ 140,524,854</b>	<b>\$ 16,441,882</b>	<b>\$ 7,331,334</b>	<b>\$ (4,018,988)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

August 31, 2003

	Alewife Boston Ltd.	Five Alewife Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(7,656)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(2,143,580)	-	(57,817,172)	(110)	(330)	(7,656)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 56,003,921</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(210)	-	-	(110)	(330)	(816)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(210)	-	-	(110)	(330)	(816)
<b>Total Liabilities</b>	(210)	-	-	(110)	(330)	(816)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,504,737
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	56,004,737
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 56,003,921</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

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August 31, 2003

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 29,162	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(10,053)	(26,614,022)	57,347,191	(7,283,826)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	6,320	-	-	-	-	-
<b>Total Current Assets</b>	25,429	(26,614,022)	57,347,191	(7,283,826)	-	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	1,630,940	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,656,369</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	551,649	5,000	-	-	-	-
<b>Total Current Liabilities</b>	551,649	5,000	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	551,649	5,000	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(15)	(195)	10,346,794	(230)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(15)	(195)	10,346,794	(230)	-	-
<b>Total Liabilities</b>	551,634	4,805	10,346,794	(230)	-	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	5,150	-	-
Paid in capital	1,104,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(219)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(99,212)	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	1,104,735	(26,618,827)	47,000,396	(7,283,596)	-	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,656,369</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

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August 31, 2003

	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	5,824,284	(101,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	\$ 5,824,284	\$ (7,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
<b>Total Current Liabilities</b>	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	3	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(110)	-	(110)	(560)	(560)	(450)
<b>Total Liabilities</b>	(110)	-	(110)	(557)	(560)	(450)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(9,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	5,824,394	(7,966)	(1,118,993)	10,284,682	890	(2,417,264)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ 5,824,284	\$ (7,966)	\$ (1,119,103)	\$ 10,284,124	\$ 330	\$ (2,417,714)

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

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August 31, 2003

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	1,184,871
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	(818)	(110)	(210)	(110)	(30)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Total Liabilities</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(45,812)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(45,712)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>

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